February 15, 2016

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Notification of Revision to Consolidated Financial Results Forecast for the Full Fiscal Year ended January 31, 2016

SanBio Co., Ltd (hereafter "the Company") has revised its forecasts of consolidated financial results for the full fiscal year ended January 31, 2016, which was announced on September 14, 2015, as described below.

1. Revisions to full-year financial results forecasts
(From February 1, 2015 to January 31, 2016)

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous Forecast (A) (as of September 14, 2015)	Million yen 1,835	Million yen -855	Million yen -838	Million yen -744	Yen -17.47
New Forecast (B)	1,174	-1,125	-1,172	-988	-22.20
Amount Change (B-A)	-660	-269	-334	-243	
Percentage Change (%)	-36.0	—	—	—	
(Reference) Actual results for the fiscal year ended January 31, 2015	3,229	2,248	2,228	1,736	44.31

2. Reasons for revisions

The clinical trial for chronic stroke in the United States has been conducted in accordance with the Company's joint development agreement with Sumitomo Dainippon Pharma Co., Ltd., under which the Company receives a total of $10 million as a development milestone payment when the clinical trial in the United States proceeds to Phase 2b. Half of this payment, $5 million, was received upon entering into an agreement with the first clinical site in September, 2015. The remaining $5 million (¥605 million, if convert at ¥121.04 per US dollar) is due upon the first implantation in patients. The first implantation to patients was scheduled by the end of January, 2016. However, it is now expected that the first implantation will occur during the first quarter of the fiscal year ending January 31, 2017 (please refer to the release "Delay in First Implantation to Patients for Phase 2b Trial of Regenerative Medicine "SB623" for Chronic Stroke in the United States and its expected impact on Business Results" which was announced on February 1st, 2016). Therefore we revised our revenue forecast to decrease compared with the previous forecast, as shown above.

Operating expenses are expected to decrease from the previous forecast due to the change in timing for recording a portion of the non-clinical and clinical-related expenses from this fiscal year to

the following fiscal year ending January 31, 2017, and reporting of foreign exchange gains.

As a result of the above, operating losses, recurring operating losses, and net losses are expected to increase from the previous forecasts.

Note: The above revised forecasts are preliminary figures based on information available to the Company at this date. As the Company's account closing has not been completed, the actual results may differ from this forecast.